VZCZCXRO4601 PP RUEHMA RUEHROV DE RUEHGI #0235/01 3031156 ZNR UUUUU ZZH P R 301156Z OCT 09 FM AMEMBASSY BANGUI TO RUEHC/SECSTATE WASHDC PRIORITY 1068 INFO RHMFISS/AFRICOM RUEHBZ/AMEMBASSY BRAZZAVILLE 0223 RUEAIIA/CIA WASHINGTON DC RUCNFUR/DARFUR COLLECTIVE RHEFDIA/DIA WASHINGTON DC RUEHKH/AMEMBASSY KHARTOUM 0328 RUEHKI/AMEMBASSY KINSHASA 0339 RUEHLC/AMEMBASSY LIBREVILLE 0238 RUEHLO/AMEMBASSY LONDON 0179 RUEHNR/AMEMBASSY NAIROBI 0169 RUEHNJ/AMEMBASSY NDJAMENA 0527 RHEHAAA/NSC WASHINGTON DC RUEHFR/AMEMBASSY PARIS 0512 RUCNDT/USMISSION USUN NEW YORK 0161 RUEHYD/AMEMBASSY YAOUNDE 0500 RUEHGI/AMEMBASSY BANGUI 1349

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SENSITIVE SIPDIS

DEPT FOR AF/C
USUN FOR DMUERS
PARIS FOR RKANEDA
LONDON FOR PLORD
NAIROBI FOR AKARAS
AFRICOM FOR JKUGEL
INR FOR CNEARY
DRL FOR SCRAMPTON

E.O. 12958: N/A

TAGS: PGOV PREL PHUM PINR EAID CT

SUBJECT: CAR: PRESIDENT BOZIZE DELAYS IMPLEMENTATION OF USAID ROAD

PROJECT

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11. (SBU) SUMMARY: The USD 2.75 million USAID funded roads rehabilitation project set to launch on October 26, 2009 was delayed by President of the Central African Republic (CAR) Francois Bozize due to a perceived lack of government participation in the project. Despite fully informing the government (CARG) of Post's plans since January 2009, the President convoked the Ambassador to the Presidential Palace to ostensibly find a role for the Ministry of Equipment - nominally charged with road construction - in a project that is already obligated and funded with the nongovernmental organization ACTED. The ensuing meeting gave clear insights into the functioning and motivation of the President and his closest advisors, and demonstrates the significant lengths Bozize will go to try to manipulate foreign assistance. The presence and active participation of the Minister of Plans, Sylvain Maliko, as well as the Foreign Minister, Antoine Gambi, but not the Minister of Equipment, hints at the true poles of power in the CARG. Unfortunately, this incident exemplifies that, while certain individuals in the CARG are forthright development partners, others at the highest levels of government are determined to try to interfere with development assistance to further private agendas. END SUMMARY.

12. (SBU) On October 23, the Minister of Equipment, Cyriaque Samba Panza, who has a long and solid relationship with the Embassy, called Post to inform the USAID delegation that they could not leave as scheduled for a field visit and official project launch until the Ambassador met with Ministers Maliko and Gambi. On the October 26, the Ambassador met with Samba Panza who had been charged by the President to meet the Ambassador instead of Maliko and Gambi. During the discussion Samba Panza informed the Ambassador that `certain ministers'

- had `misunderstood'' a statement by Bozize that the Ministry of Equipment should be charged with the project instead of ACTED. Samba Panza said he felt uncomfortable disagreeing with those ministers during the meeting and that when he spoke to the President after the meeting he believed he had come to an understanding that the Ministry of Equipment would observe the project and would submit reports as needed. The Ambassador agreed to this and the meeting adjourned.
- 13. (U) On short notice, the Ambassador was summoned to the Presidential Palace on the evening of the October 26. During an hour long meeting, the Ambassador affirmed the following about the roads project:
- -- Looking to employ 9,000 people over one year, the project at its core is about community development and empowerment and seeks to create durable microenterprises and encourage commerce.
- -- The project would be an integral part of an east/west road connection that directly responds to the Government's Poverty Reduction Strategy Paper.
- -- Working through an NGO was included in the congressional appropriations spending plan and that money cannot go directly to the host government by US law in this case.
- 14. (SBU) The President, with Maliko interjecting from time to time, insisted on the same theme that the Ministry of Equipment, using heavy machines, could rehabilitate the road in a fraction of the time, at half the cost, and with better quality. Despite the Ambassador's repeated insistence that a qualified USAID engineer had confirmed that the price, safety specifications and legal regulations were in accordance with US legal standards, the President continued to insist that his vision was superior (NOTE: the President is a trained military

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- officer with no background in engineering and neither the Minister of Equipment nor any other road experts were present during the meeting. END NOTE). By the end of the meeting two possible conclusions could be drawn:
- -- The President sought to have the Ambassador transfer the project funds to the Ministry of Equipment this despite the Ambassador's clear assertion that this was not possible by US law in this case.
- -- The President does not understand the restrictions placed by USAID funding as similar restrictions upon the executive are nonexistent in the CAR.
- While the latter is possible, the former is more likely as Maliko, with extensive experience in the UN and other international institutions, is intimately familiar with the bureaucratic restrictions placed upon western governments and proposed possible ways to circumvent the regulations during the meeting. The Ambassador proposed a formal review of the project with the ministers of the President's choice.
- 15. (U) The following day the Ambassador and the USAID delegation met the Samba Panza and Gambi and came to an agreement that Ministry of Equipment employees would follow the project closely as had been previously agreed and that if ACTED needed heavy machinery, that they would make a call to both private and public actors for competitive bids with all due consideration given the Ministry's bid.
- 16. (SBU) In the late afternoon of the October 27, French Ambassador Jean-Pierre Vidon called on the Ambassador to discuss the project at the behest of Bozize, who had asked him to `reason'' with the U.S. Ambassador. (NOTE: The timing of the call to the French is worrying as the meeting with Samba Panza and Gambi ended before the call. END NOTE). With clear reluctance, the French Ambassador asked for the details of the agreement and gestured in agreement when the Ambassador suggested the polemic was at its core likely a shakedown.

President Bozize met with the Ambassador and the French Ambassador on the margins of ceremony on Friday, October 30, 12009. During that conversation he asked the Ambassador directly if the French Ambassador had called him. The Ambassador assured the President that they had spoken and told him to expect a Diplomatic Note covering the project on Monday or Tuesday.

- 17. (SBU) COMMENT: The meeting with Bozize and the surrounding events lead to the following impressions of the President and his inner circle:
- -- The President is personally interested in the monetary benefits that international development money brings and will seek to insert himself into the smallest details of the project if he sees a potential financial gain.
- -- The best interest of his citizenry is not be the President's priority. The use of heavy machinery from the Ministry of Equipment would take jobs away from the target population and the President did not swerve from his argument when this was made clear.
- -- Gambi, present at the meeting with the President and the second meeting with Samba Panza, is trusted by the President but is not an `ideas'' person. He was relegated to note taking during the former meeting and during the later only reiterated the points made by the President without adding any new points or demands. He was likely at the second meeting to ensure that

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Samba Panza did not make any mistakes.

- -- Maliko, along with Minister of Mines Sylvain Ndoutingui, are the primary figures in the CARG and upon whom the President counts for advice and strategy. Maliko is the primary interlocutor with international actors ranging from AmEmbassy Bangui to the UN to Sheikh Ben Jaber Youssouf Al-Thani of Qatar and should be considered the functional head of government while Prime Minister Faustin Archange Touadera plays a principally representational role.
- 18. (SBU) In the short term, a Note will be drafted by Post and submitted to the government with the principle elements of the project restated and the agreement reached between the Ambassador and Samba Panza enumerated. Despite this, it is far from certain that the project will be allowed to continue. This is clearly an inauspicious beginning for the project and is emblematic of the principal challenge facing Post with all the troubles in front of President Bozize, from a failed state, to active rebellions, to extreme poverty, he chooses to focus his time on extracting payouts from foreign and domestic funding sources. The CARG is not an active partner in its country's development and thus Post will continue to ensure that development projects are closely monitored and all steps are taken to mitigate further issues on this and future projects. END COMMENT.